

Meeting of 1997-5-08 Budget Meeting

MINUTES
LAWTON CITY COUNCIL SPECIAL MEETING
MAY 8, 1997 - 5:30 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

John T. Marley, Mayor, Also Present;
Presiding Gil Schumpert, City Manager
Felix Cruz, City Attorney
Brenda Smith, City Clerk

The meeting was called to order at 5:30 p.m. Notice of meeting and agenda were posted on the City Hall bulletin board as required by State law.

ROLL CALL

Present: *Richard Williams, Ward Two
Jeff Sadler, Ward Three
John Purcell, Ward Four
Charles Beller, Ward Six
Carol Green, Ward Seven
Randy Warren, Ward Eight

Absent: Jody Maples, Ward One
Robert Shanklin, Ward Five
*Williams entered as shown below.

BUSINESS ITEM:

1. CONDUCT REVIEW OF PROPOSED FY 1997-98 CITY OF LAWTON BUDGET.

Schumpert said the Proposed FY 1997-98 Preliminary Budget has been presented. The budget is balanced and includes a fifty cent flat increase in utility rates; it does not include a cost of living adjustment for any employee group or any new employees. The decrement report shows what the department would do differently if the budget were reduced by either 5% or 10%.

Budget reference notes show a reorganization by moving the MIS Division from Finance to the Assistant City Manager, and moving two inspectors from the Solid Waste Division to Building Development; Building Development will be renamed Code Administration. Safety & Risk Officer will be moved from Legal to Personnel to provide a greater emphasis on employee training and safety, hoping to improve productivity and reduce injuries. History of utility rates, as well as rates of cities over 20,000 population in Oklahoma, were distributed. Employee pay history was distributed and the only increase included in the budget is the 2.5% step increase for those general employees who are eligible; about a quarter of the police and fire will receive a 5% increase under current contract terms if it is extended.

A list of requested capital outlay that is not recommended for funding was provided. The same amount is included in capital outlay this year that was included last year. Funding for equipment to provide a different format utility bill is included.

Schumpert recommended capital outlay be reduced by \$200,000 if Council does not wish to increase utility rates. He said the reason for this recommendation is that for the first time over \$3 million is projected for purchase of capital outlay; the City will be in good shape to start replacing equipment on a depreciation schedule because funding provided for capital outlay has made a significant impact.

Schumpert said he hoped Council would point out major areas of concern and determine how it would approach the budget; suggestion was that larger departments be done first and a list of departments and divisions was distributed to assist in scheduling reviews.

*Williams arrived at this point, 5:40 p.m.

Schumpert said a large document was provided showing capital outlay replacement schedules, and that capital outlay is classified as equipment costing in excess of \$1,000. The list shows all equipment scheduled to be replaced this year, equipment that was to have already been replaced, and future replacement projections.

Mayor Marley said he felt Council would want to consider a pay increase for general employees, discuss the fifty cent

utility increase that is proposed, and discuss those general employees who would not be eligible for the 2.5% step increase as they have reached the top step in the pay plan.

Schumpert said a new document was provided called departmental initiatives, which contains suggestions from departments on how operations could be improved, made more efficient, and so forth, regardless of funding considerations.

Purcell said he appreciated the list of equipment and that the budget reflected capital outlay requests consistent with the overall listing for the most part. He said he did not favor a utility rate increase and did not have a problem taking funds from the capital outlay if necessary.

Purcell asked how many general employees had reached the top step in the pay plan and Schumpert said approximately 15. Purcell said he felt Council should do something for those employees because those who are not at the top step would receive 2.5% at some point during the year, but the 15 would not receive anything if a cost of living is not provided. He said Council should decide if a percentage cost of living should be considered so the budget could be reviewed in that light, and suggested something be done so employees at the top step in the pay plan would automatically receive something annually.

Schumpert said employees are hired at an entry level pay scale and receive merit increases annually to compensate for them being familiar and more knowledgeable of the job. He said there are minimum pay levels and maximum, and at some point, you must decide to pay only what the job is worth yet be able to retain qualified personnel. Schumpert said those in the top step would receive a cost of living increase if one is granted by Council. He said a market survey would indicate comparable pay rates but those are not done annually for every position due to limitation of staff, and cost of living increases are considered from time to time due to inflation.

Williams asked the percentage of employees in bargaining units which are at the top step in the pay plans. Schumpert said about three-fourths have reached the top step in both police and fire, and steps in those pay plans are 5%, as opposed to 2.5% for general employees; \$275,000 would be needed for a 1% increase for general, fire and police employees and that is not included in the budget. Schumpert said the fire union has requested interest arbitration and meetings have just begun with police. Beller asked how funding would be provided if arbitration results in a pay raise. Schumpert recommended the funds come from capital outlay or another choice would be to decrement other departments. Beller said it would not be good to penalize one department in favor of another and Schumpert agreed.

Schumpert said departments do not vote on what he recommends and that he felt that the 2.5% increase, based on the other needs of the City, is fair. He agreed the cost of living in the area we look at has gone up 3% and a letter was received from the Employee Advisory Committee recommending a 3% cost of living increase. Schumpert said if it were his money, he would not give that increase. He said employee cost in salary and wages, based on the preliminary budget, is going up about \$700,000; for all personal service costs, although it is not a real clear picture due to the cost of part time employees, it is almost a \$1 million increase. He said \$30 million out of a budget of \$44 million is for people, and almost \$21 million of that is in salary and wages alone.

Williams asked if the pay plan steps were designed to off set the cost of living or to reward employees in line with merit for performance. Schumpert said it is set up for merit increases and when the difference between steps was changed from 5% to 2.5%, it was made clear that the step increases were not meant to include or account toward the cost of living.

Purcell asked that staff provide the numbers showing funding that would be needed to grant the 15 employees in the top step some type of pay increase. Schumpert said a 1% cost of living increase for general employees only would be \$155,000.

Sadler said if another step were approved in the pay plan for those in the top step, the concern would be about next year and future years, creating a precedent. He said the funds could snowball quickly if a limit were not established. Schumpert said the original concept for longevity was a way to reward an individual who had remained with the City and reached the top step in the pay plan, because the longevity pay would increase annually although it would not amount to a 1% raise; increases are also granted in accrual of vacation and sick leave hours.

Williams said he felt one of the City's greatest assets was its employees and that if there is nothing to offset inflation, there is an erosion in pay. He said he had no problem looking for funding for appropriate pay increases. Williams said he also had no problem with the fifty cent utility increase due to the tremendous amount of need in the City; past Councils have been great stewards of public funds to the extent of not asking the citizens for utility increases causing little work to be done on items such as sewer line replacement, water lines, or street repairs, and allowing the community to grow as it should. He said Lawton enjoys some of the lowest utility rates in the area.

Mayor Marley asked Council to provide direction in some form to the City Manager to allow the process to proceed. Beller said he did not want to vote tonight as far as a utility increase because two members are absent, although it is a very minimal increase, and Council should review the entire budget first.

Purcell suggested each general employee receive the 2.5% merit increase, and, in addition, look at a 1% across the board cost of living increase as a minimum. He said if the amount needed for this is \$200,000, the Council would be looking for \$400,000 from the budget assuming there will be no utility increase; if a fifty cent utility increase is done, the amount needed would be \$200,000 from the budget. Williams asked if that suggestion was meant for bargaining units also and

Purcell said no, those are in other processes through negotiation.

Williams asked the status of negotiations with the bargaining units. Schumpert said interest arbitration will be held with the fire union; each side selects an arbitrator and those two select a neutral arbitrator, and the last best offer is presented from each side. Schumpert said the arbitrator then selects the City's offer or the union's offer; if the City's offer is selected, it is a settled issue; if the union's offer is selected, Council can agree to that or if not, it would go to a vote of the people. Williams asked about police. Schumpert said staff has provided the changes being recommended in the contract, the police have not presented any issues yet, and meetings will be held in the next few days but it is just getting started.

Mayor Marley said the City Manager is being asked to present a break out at the next budget meeting. Purcell said he knew the City Manager had recommended reducing capital outlay as a method of funding but asked that an alternative option be presented in addition.

Williams said there are some opportunities shown in the departmental initiatives and suggested that be reviewed. Warren suggested that be done fairly soon, because if there are items which need to be funded, those decisions would need to be made to be able to fund the budget. Mayor Marley said that could be done at the next budget meeting.

Purcell said the water bills are blank on the back and asked if printing could be added on the back to give public information instead of completely revising the utility bill format. Schumpert said that could be done.

Williams said there are benefits to revising the utility billing format as far as presenting reasons why the customers are being asked to pay what they are being asked to pay, as well as telling people about different events, or providing information about diazinon instead of paying to rent billboards or other similar community notifications. He said most communities do this now.

Beller said there was a large cost difference between this program and the program to notify people of license renewals. He said not many people read their utility bill inserts thoroughly. Beller asked if the City would sell advertising in the insert. Schumpert said he did not think that was allowed. Williams said there is a deficiency in being able to tell people what is going on, such as where the 1995 CIP funds are being spent and how much is left.

Green said she agreed that the City needed to let the citizens know how the City operates. She said the Planning Department mailed information on flood ways earlier this year, and that information could be provided about the clean up campaigns for the trash pick up. Green said Lawton has a very sophisticated communication system, but it is not known about by most citizens.

Mayor Marley asked for a determination on how the department budgets should be reviewed; Purcell suggested starting at the bottom of page two, working back. Police and Fire will be reviewed May 15. Schumpert said he would have someone present from each operation at the May 15 meeting to review their departmental initiatives.

Purcell said he agreed with moving MIS from Finance to the Assistant City Manager. He said that was a great step forward but Council agreed last year to have a City Manager and an Assistant City Manager, and it appeared another department or two should go under the Assistant City Manager. Purcell said Council members routinely present problems to the Assistant City Manager and that is a great deal of help, but responses are not being provided by some department directors because they do not work for the Assistant City Manager. He said having to ask the City Manager to get the information defeats the purpose of having an Assistant City Manager. Purcell said he felt certain departments should be assigned to the Assistant City Manager because otherwise he cannot provide the requested information. He said he had three pages of e-mail that had been sent that had not been answered.

Beller asked if Schumpert felt that was the case. Schumpert said he could not say that, other than in certain cases, but he would hope that if the Assistant is being ignored or not being shown respect, that one or two things would be happening; one, the Assistant would explain the circumstances to him, or that a Council member would tell him that responses were not being provided so he could check into it, and that he would hope that one or both of those things would happen. Schumpert said he knew of only one or two instances where such things had occurred.

Schumpert said he would support the suggestion as far as taking internal items, such as building maintenance, or functions that help the rest of the system work, and have those under an Assistant City Manager. He said there is the Mayor, one secretary, the Assistant City Manager, and the City Manager, so if responsibilities are added for management of several departments, the volume of telephone calls alone could not be dealt with, let alone any other duties. Schumpert said the Assistant is on the telephone about 50% of the time, so if there was an additional clerical person in the office, that would work but the problem is using the Assistant to a large degree as an executive or administrative assistant.

Williams suggested there may be a need for an administrative assistant and perhaps someone currently working for the City could fulfill that position and allow more responsibility to be placed on the Assistant because the Assistant is much more valuable to the community than answering the phone and taking requests from Council members or homeowners. Schumpert said he would check into the costs for a Clerk III, and that in many cases, the person insists on talking to the Mayor or City Manager.

Budget reviews were conducted at this time for the following:

01 MAYOR AND COUNCIL

Schumpert said an increase was included for additional letterhead, envelopes and proclamations. Account 264, Dues and Memberships, reflects a \$3,000 increase due to OML dues increasing by \$2,000 and NLC by \$524, and ASCOG by \$70. Account 265, Travel and Training, contains a \$7,000 increase and provides for five people to attend NLC, and two legislative meetings in Washington, D.C.

Schumpert said the Mayors Commission on the Status of Women was previously funded through the City Attorneys Office. This year the Commission submitted a budget request and \$5,500 was included in this budget activity, as well as \$500 for the Environmental Committee. \$700 is included for the first of a three-year term for a telephone system. He said Council chairs were to have been replaced last year but recommended they be replaced in FY 1999.

Janet Childress, Mayors Commission on the Status of Women, spoke in favor of the budget request and stated the funds allocated would be sufficient. She briefly reviewed activities of the Commission and line items where funding would assist. Sadler offered to donate a portion of the necessary office supplies.

Mayor Marley said the NLC Conference will be held in Philadelphia and suggested increased attendance at the OML Conference in Tulsa in October.

Green asked that the bi-weekly salaries of the Mayor and the Council members be stated. Schumpert said it is \$369 for the Mayor and \$115 for each Council member.

*Sadler left the meeting at this point, 6:45 p.m.

Beller asked how OML determines dues and response was it is based on a percentage of sales tax received. Confirmation will be provided. Methods of taking advantage of services provided by OML were discussed and encouraged.

02 CITY CLERK

Purcell said replacement of the mailing machine was shown on the capital outlay replacement list and is included in the budget. Williams asked that all the computers to be purchased include a modem. Purcell said some members are interested in having the capability of contacting certain City staff members through e-mail. Smith said funding was included for only one election, which would be the annual election of officers; if funding is needed for elections with regard to arbitration, a possible source could be Council Contingency.

03 CITY MANAGER

Schumpert said Account 209 contains funding for memory for his computer; Account 264 was increased to allow the Assistant City Manager to become a member of the City Management Association of Oklahoma; Account 279 is for certificates and gifts for retirees and employee suggestion awards. Laser Jet printer is in good shape and was not included on the equipment replacement list for funding. Mayor Marley said there was a reduction in training and travel and Schumpert said it is based on the location of the meetings; Baker said he also would not be attending the Keep Oklahoma Beautiful meetings.

Purcell asked if there would be the capability of sending e-mail to Schumpert or Baker. Schumpert said he understood OneNet would be on line within 60 to 90 days. Doug Wells, MIS Supervisor, said he has a connection at this point and needed the funding shown in his budget to accommodate the City Manager and Assistant.

16 MANAGEMENT INFORMATION SERVICES

Schumpert said many capital outlay items are for computer related equipment, and some are dependent on others. The burster, folder and inserter are for the new format utility bill. Wells said the only lease cost is for the HP 3000.

Wells said the budget reference notes mention additional personnel, and none were provided in MIS; however, the Year 2000 problem is in existence and many programs must be converted which will take approximately 18 months. He said 130 people have PCs since going to the network last month, and only one microcomputer specialist last year was not sufficient, and three to four could be used. The position was changed to network administrator this year to accommodate the Internet and other programs. Wells asked that staff be added to provide adequate support. He said he also requested the Programmer Analyst I positions be change to IIs; there are currently two of each, and the cost this year would be \$472. Wells said the City cannot hire entry level personnel because each one will have 700 programs and two or three systems to be responsible for and all are doing the same work.

Williams asked if it would be possible to contract out the work in regard to the Year 2000 problem. Wells said there are companies that can change an auricle data base, but on normal COBOL programs on IBM or Hewlett Packard, there is no one that can read all the programs and change them so there is no one we can contract with right now to read all the programs and convert the date fields.

Williams asked if the current programs are the most advantageous to the City, or if there are other systems that would better serve the City's needs. Wells said there are possibilities for human resources, payroll, electronic time sheets, although he did not know if the cost would justify the purchases. Wells said he found a company that served 135 other cities with a variety of programs and the price was \$500,000 for the software plus about 20% per year for maintenance.

Wells said the problem with payroll systems is the number of exceptions required here, and paying program time to write changes is \$150 to \$200 per hour; if a change were made in a union contract, a company would require a longer lead time at a more expensive rate. Wells said the cost in Communications for CRTs in police cars does not include the 20% maintenance cost; the 911 system is \$22,500 per year maintenance for software and that could not have been written in-house so that is an advantage.

Williams said if there is anything Council can do to make this job more efficient or cause there to be fewer exceptions, he would favor that. Wells said he is to tell the City Manager when such things happen.

Purcell said consideration should be given to looking at different systems, in light of the Year 200 problem, to be sure we have the best systems; and MIS would have to be supported with at least one employee more, especially given some of the initiatives that were received. He said before new employee slots are created for MIS, current employee slots should be reviewed in the City. Wells said he hoped the e-mail would be available within the next two to three weeks.

Beller asked what upgrade of licensing was in the 313 account for MIS. Wells said that is the Windows Microsoft operating system used to run the servers throughout the City.

Warren asked if the Hewlett Packard is an albatross given the Year 2000 problem. Wells said no, there are places for minicomputers, mainframes, networks, file servers and like things; a system as large as police would not run well on servers. Wells said the key is to obtain the proper mix; the HP system runs 911 and does well.

04 PERSONNEL

Schumpert said the Safety & Risk Officer and associated costs are being moved from Legal to Personnel.

Purcell said initiatives were given that would save time. He asked if those were implemented, would there ever be a time when an employee slot could be deleted. Chuck Bridwell, Personnel Director, said it would depend on their mission; the office was closed to the public for two hours per day last year due to lack of personnel. Bridwell said if the situation presents itself where staff could be reduced, he would be the first to recommend it.

Bridwell said the CD-Rom Writer and Scanner is similar to that used in the City Clerks office for archiving written material and it replaces a 1983 microfilm machine. The microcomputer replaces a unit that is shown on the replacement list. A printer that is shown to be replaced has already been replaced but is shown on the inventory because it has not gone through the auction.

Beller suggested staff contact Vo Tech to see if they would be interest in obtaining such items for the students to use to learn how to repair equipment.

07 AUDITING

Schumpert said the budget for this activity is less than was allocated last year, which was mainly due to a decrease in capital outlay requests. Contractual maintenance is for the new bar coding system for inventory control that was implemented last year. No concerns were voiced.

06 COMMUNICATIONS

Automated telephone answering system has processed 7,500 calls which were, as a result, not handled by dispatch personnel; no complaints have been received. Purcell asked if the system could be configured to ring back into a person when there is no answer. Ken Graalum, Communication Director, said the phone system is Southwestern Bell Plexar which will not allow for that. There is a large savings with using the Plexar system.

Mayor Marley asked if the capital outlay costs were funded from E911 and Graalum said yes, that is part of the charge that must be used for communication equipment purchase.

Purcell said there is a list of radios that should have been replaced in 1996 or 1997 and asked if there would be a problem in not replacing some of them. Graalum said some have been replaced; assets are shown under Communications that are used by the Fire Department, so some are being replaced under the Fire budget from E911 funds. Graalum said some were replaced for \$95, when the projected replacement cost was much more, but the \$95 items do not show up on the capital outlay, which requires a minimum cost.

Warren asked where the antenna tower for \$21,000 would be located. Graalum said the tower outside the Annex would be replaced with a 180 foot tower and the main repeaters would be in the Annex so they could be supported by the UPS system and the generator. This will allow MIS to communicate with the computer system to all the Citys sites. Schumpert said the tower on the Police Station will be removed.

Warren asked about the \$1,500 chair. Graalum said this would be for one chair, and a number of cushions for other chairs to extend their life since they are used 24 hours a day.

Green said there is a public misconception about this activity where people think calling 581-3500 or 911 gets them to the

police station, but it is the Communications section that answers the calls. She said an explanation of that, as well as the functions of this division, could be included in the new utility bill for public information. Warren said the employees do a wonderful job. Williams asked if advertising could be sold on the tower. Graalum said antenna space could be located on it.

77 ELECTRONIC MAINTENANCE

Graalum said there was a jump in 211, repair and maintenance; the intersections of Gore and 11th Street and Lee and 11th Street are planned for traffic control replacement. Both projects will require digging, drilling, boring and concrete work; each will cost \$18,000 to \$20,000. This will allow for the pause in the lighting sequences to allow traffic to clear the intersection and reduce questions of which vehicle had the right of way or traffic accidents.

Mayor Marley asked that the \$12,000 remain funded for shop remodel because the employees do a lot of work in a very small building that needs help.

Graalum said a bucket truck was funded last year; request is included for a portable welder this year to prevent other divisions from having to send employees, who may be idle for a period of time before their portion of the work is required. This should reduce the number of man-hours required to get the work done.

Purcell commended Dave Dixon and his crews for the tremendous amount of work done for the City on a small budget.

There was no further discussion and the meeting adjourned at 7:30 p.m.